



Bulletin: OCFO 08-03

Date: March 7, 2008

To: USDA Agencies

Subject: Procedures for Recording Rescission Transactions into the Foundation Financial Information System (FFIS)

## PURPOSE

This bulletin provides current guidance to USDA agencies for recording rescission transactions into the Foundation Financial Information System (FFIS).

## BACKGROUND

Rescissions and cancellations are reductions, by law, of budgetary resources. Reductions are recorded as negative budget authority in the year the reduction takes effect, regardless of whether the action reduces new budget authority or unobligated balances.

Properly recording a rescission depends primarily on knowing what kind of rescission it is. Understanding this information will ensure that the correct Standard General Ledger (SGL) accounts and corresponding posting models are used. Agencies that are in doubt about the kind of rescission they have must work with the Office of Budget and Program Analysis (OBPA) for assistance.

Congress can enact reductions in many ways. For example, the language can specify a dollar or percentage reduction and can pertain to a specific account or multiple accounts. Rescissions and cancellations can impact all types of budget authority and can be permanent or temporary, subject to the underlying availability of the funds and to the specific statutory authority for the reduction.

## PROCEDURES

The two most common errors associated with rescissions are (1) requesting negative warrants too late, i.e., after yearend; and (2) choosing an improper SGL account to post the rescission in the general ledger.

### Requesting Negative Warrants

Within the Department of Agriculture, OBPA is responsible for requesting negative warrants for all of the USDA agencies. It is the responsibility of each agency to follow-up with OBPA to ensure this is completed. The budgetary impact of a rescission **must** coincide with the year rescinded or it will cause out of balance conditions with Federal Agencies Centralized Trial Balance System (FACTS) II reporting.

### Choosing an SGL Account

Before a rescission can be processed in FFIS, the user must review the General Ledger Balance Table (GLBL) to determine the amount of available authority at each level. Rescissions must be withdrawn consecutively, beginning with the lowest budget level working up to the highest level in the budget chain where the funds are classified as Unapportioned Authority (SGL account 4450). This can be accomplished by processing a combination of negative budget execution documents.

Once at the unapportioned authority level, use the following table to determine what transaction to process. The table provides descriptions of the types of rescissions, along with the corresponding Accounting Entries Definition Reference Table (ACED) transaction code and transaction type and the Accounting Entries Reference Table (ACEN) posting model that should be invoked. The attached Rescission Example provides a sample workflow of how a rescission is recorded.

**Note:** All rescissions should be entered as a negative amount on the AA document.

<b>If You Are...</b>	<b>Use ACED Trans Code/ Trans Type</b>	<b>Which Will Record the ACEN Posting Model</b>
Recording a permanent reduction of <b>current year/new</b> budget authority that impacts a <u>General Fund Treasury Symbol</u> (this includes rescissions, across-the-board reductions and sequestrations)	AA / RC	DR. 4392 / CR. 4450 DR. 1010 / CR. 3106
Recording a permanent reduction of <b>prior year</b> budgetary resources that impacts a <u>General Fund Treasury Symbol</u> (this includes rescissions, across-the-board reductions and sequestrations)	AA / R1	DR. 4393 / CR. 4450 DR. 1010 / CR. 3106
Recording a permanent reduction of <b>current year/new</b> budget authority that impacts a <u>Special or Trust expenditure Fund Treasury Symbol</u> (this includes rescissions, across-the-board reductions and sequestrations)	AA / R7	DR. 4392 / CR. 4450 DR. 1010 / CR. 5745

If You Are...	Use ACED Trans Code/ Trans Type	Which Will Record the ACEN Posting Model
Recording a permanent reduction of <b>prior year</b> budget authority that impacts a <u>Special or Trust expenditure</u> Fund Treasury Symbol (this includes rescissions, across-the-board reductions and sequestrations)	AA / R8	DR. 4393 / CR. 4450 DR. 1010 / CR. 5745
Recording a temporary reduction of <b>current year/new</b> budget authority rescinded via a legislative action for <u>Special</u> “5000” series or <u>Trust</u> “8000” series Treasury Appropriation Fund Symbols (TAFS) designated by Treasury as “Available”	AA / R5	DR. 4382 / CR.4450
Recording a temporary reduction of <b>prior year</b> budget resources rescinded via a legislative action for <u>Special</u> “5000” series or <u>Trust</u> “8000” series TAFS designated by Treasury as “Available”	AA / R6	DR. 4383 / CR.4450

## INQUIRIES

Questions concerning this bulletin should be directed to the Systems Analysis and Requirements Division at (202) 720-7975 or (504) 426-5123, or via e-mail at [howard.campbell@usda.gov](mailto:howard.campbell@usda.gov) or [sheryl.davenport@usda.gov](mailto:sheryl.davenport@usda.gov).

## EFFECTIVE DATE

This bulletin supersedes FFIS Bulletin 03-3, Procedures for Recording Rescission Transactions into the Foundation Financial Information System, dated June 30, 2003, and is effective immediately.

/s/

JOHN G. BREWER  
Associate Chief Financial Officer for Financial Operations

Attachment

## Rescission Example – Using P.L. 107-206

The following is a basic workflow to illustrate how unobligated amounts at the various budget levels are to be withdrawn to correctly record a \$2000 rescission.



Remember: If unobligated amounts are to be rescinded, they must be withdrawn consecutively, beginning with the lowest budget level (4610), to the next highest budget level in the budget chain until they are classified as Unapportioned Authority (4450).

Withdraw unobligated authority in SGL account 4610 (Allotments-Realized Resources) and optional Suballocation and Allocation levels. This is accomplished by processing a Budget Execution (BE) document, with:

*STEP 1*  
 Withdraw funds  
 from the  
 allotment and  
 optional  
 intermediary  
 budget levels

- Budget Level **AL** for Allotment, **SL** for Suballocation, and **AC** for Allocation
- Appropriate budget dimensions and transaction types
- Negative amount in the Inc/Dec Amt field for apportionment period 1

BE Document										
COMMND:					DOCID:					
STATUS:					BATID:					
H-					SEC2:					
BUDGET EXECUTION DOCUMENT										
TRANS DATE:			ACCTG PD:		APPRV TR TYPE:		POSTED TR TYPE:			
BUDGET FYS:			FUND:		HEADER ACTION IND:		APPOR PERIOD:			
TOTAL REVISED AMT:					BUDGET LEVEL: <b>AL</b>					
A										
C										
T	DIV	ORG	PROGRAM	BOC	APPRV	POST	D	YTD AMT	INC/DEC AMT	
-----										
01-	C						1			-2000.00
SPENDING IND:										
					2					
					3					
DESCRIPTION					4					
SUBALLOT OPTNS					REVISED					
ORG PGM BOC SPN					TR TYPE AMOUNT INC/DEC AMT					
-----										
EST REIM:										

## Rescission Example (Continued)

**STEP 2**  
 Withdraw funds  
 from  
 apportionment  
 budget level

At this point, the unobligated authority should be in the SGL account 4510 (Apportionment). To withdraw funds at this level, process the bottom half of an AA document, using appropriate budget dimensions and the **PN** transaction type.

**Note:** A negative amount is entered in the APPOR INC/DEC AMT field for apportionment period 1. Negative amounts are entered with a minus (-) sign preceding the amount.

### AA Document

COMMND:	DOCID:				
STATUS:	BATID:	SEC2:			
APPROPRIATION AND APPORTIONMENT DOCUMENT					
TRANS DATE:	ACCTG PD:				
ACTION:	BUDGET FYS:	FUND:	TOT APPOR AMT:		
			TOT APPOR FTES:		
	TR TYPE	REVISED AMOUNT	INC/DEC AMOUNT		
	-----	-----	-----		
APPROP:			IND:		
EST REIMBUR:			OPTION:		
EST RECOVER:					
STAT RES:			PUB LAW:		
APPR FTES:					
APPORTIONMENT PD 1-4 TRANS TYPE: <b>PN</b> APPORTIONMENT DEFERRED TRANS TYPE:					
APPOR PERIOD	PENDING APPOR AMT	APPOR INC/DEC AMT	APPOR FTES	FTE INC/DEC	
-----	-----	-----	-----	-----	
1		-2000.00			
2					
3					
4					
DEFERRED					

**STEP 3**  
 Process PA  
 document to  
 approve/post  
 apportionment  
 withdrawal

Subsequently, a PA document must be processed approving and posting the apportionment, with:

- DOC ACTION of "1"
- Appropriate budget dimensions and transaction types
- Apportionment period

### PA Document

COMMND:	DOCID:				
STATUS: ACCPT	BATID:	SEC2:			
APPORTIONMENT APPROVAL DOCUMENT					
TRANS DATE:	ACCTG PD:	02 08			
DOC ACTION: 1	(1 - APPROVE PENDING AMOUNTS	)	POST IND: Y		
	(2 - REJECT AND CLEAR PENDING AMOUNTS)				
BUDGET FYS: 07	TRANS TYPES - PERIOD 1-4	DEFERRED			
FUND: RESC	-----	-----	-----		
APPOR PERIOD: 1	APPROVED:	AP			
TOTAL AMOUNT:	POSTED:	01			

## Rescission Example (Continued)

**STEP 4**  
 Determine the  
 applicable  
 Transaction  
 Type

Enacted rescissions and reductions pursuant to Public Law are distinguished by the Transaction Types on the AA document:

- Current Year Permanent Rescission against a General Fund – Trans Type **RC**
- Prior Year Permanent Rescission against a General Fund – Trans Type **R1**
- Current Year Permanent Rescission against a Special/Trust – Trans Type **R7**
- Prior Year Permanent Rescission against a Special/Trust – Trans Type **R8**
- Current Year Temporary Rescission against a Special/Trust – Trans Type **R5**
- Prior Year Temporary Permanent Rescission against a Special/Trust – Trans Type **R6**

Below is an example of the AA document screen, showing reduction pursuant to P.L. 107-206.

### AA Document

**STEP 5**  
 Withdraw funds  
 from the  
 appropriation  
 budget level

COMMD:	DOCID: AA	FFIS	TESTRESC
STATUS: ACCTP	BATID:	SEC2:	
APPROPRIATION AND APPORTIONMENT DOCUMENT			
TRANS DATE:	ACCTG PD:		
ACTION: C	BUDGET FYS: 07	FUND: RESC	TOT APPOR AMT:
			TOT APPOR FTES:
	TR TYPE	REVISED AMOUNT	INC/DEC AMOUNT
	-----	-----	-----
APPROP: R1			-2000.00
EST REIMBUR:			IND:
EST RECOVER:			OPTION:
STAT RES:			PUB LAW:
APPR FTES:			
APPORTIONMENT PD 1-4	TRANS TYPE:	APPORTIONMENT DEFERRED	TRANS TYPE:
APPOR PERIOD	PENDING APPOR AMT	APPOR INC/DEC AMT	APPOR FTES
	-----	-----	-----
1			
2			
3			
4			
DEFERRED			